

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

Gary S. Stearns
System ID No. 0151859,

Enforcement Case No. 11-11202

Respondent.

Issued and entered
on 9-16, 2011
by Annette E. Flood
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

FINDINGS OF FACTS AND CONCLUSIONS OF LAW

1. At all times relevant, Gary S. Stearns ("Respondent"), System ID No. 0151859, was a licensed nonresident producer in the state of Michigan with qualifications in casualty and property since June 22, 1996.
2. On November 14, 2008, Respondent was arrested and charged with forgery in the third degree in Fairfield County, Connecticut.
3. On April 23, 2009, Respondent was again arrested and charged with forgery in the third degree in Fairfield County, Connecticut.
4. On November 16, 2009, Respondent pled guilty to, and was convicted of, forgery in the third degree, a misdemeanor in the state of Connecticut. Respondent's plea of guilty was accepted by the Court, and Respondent was sentenced to a suspended six months in jail and two years probation.
5. On December 3, 2009, Respondent pled guilty to, and was convicted of, forgery in the third degree, a misdemeanor in the state of Connecticut. Respondent's plea of guilty was accepted by the Court, and Respondent was sentenced to a suspended six months in jail and two years probation.
6. Since the disposition of the two criminal prosecutions referenced in paragraphs four (4) and five (5), Respondent has failed to report to the Commissioner any criminal prosecution and

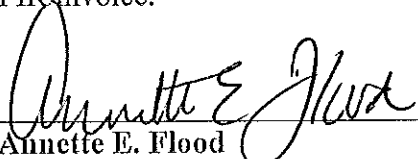
has not provided the Commissioner with a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

7. Respondent knew or had reason to know that Section 1247(2), MCL 500.1247(2), of the Code, requires that "[w]ithin 30 days after the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents."
8. By failing to provide the Commissioner with a report regarding the criminal prosecutions in Fairfield County, Connecticut, Respondent violated Section 1247 of the Code, and is subject to discipline including suspension, revocation, and the levying of a civil fine, by the Commissioner under Section 1244, MCL 500.1244.

ORDER

Based on Respondent's stipulation to the findings of fact and conclusions of law above, it is hereby **ORDERED** that:

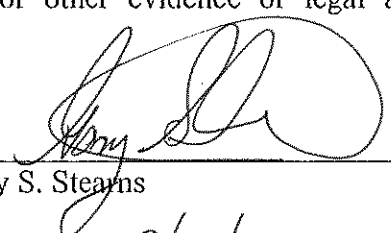
1. Respondent shall immediately cease and desist from operating in a manner that violates the Michigan Insurance Code, and Respondent shall immediately voluntarily surrender his nonresident insurance producer license.
2. Respondent shall pay to the State of Michigan, through OFIR, a civil fine of **Five Hundred and 00/100 Dollars (\$500.00)**. Respondent shall pay this fine within 30 days of the invoice date indicated on the OFIR invoice.


Annette E. Flood
Chief Deputy Commissioner

STIPULATION

Respondent has read and understand the consent order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. Respondent waives his right to a hearing in this matter if this consent order is issued. Respondent understands that this stipulation and consent order will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this consent order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondent admits the findings of fact and conclusions of law set forth in the above consent order and agrees to the entry of this order. Respondent admits that both parties have complied with the procedural requirements of the Michigan Administrative Procedures Act (MAPA) and the Michigan Insurance Code (Code). Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

1. It is further stipulated, by and between the parties hereto, that failure to pay the administrative and civil fines as set forth above within thirty (30) days of the date of the invoice shall result in a suspension or continued suspension of all license or registrations held by Respondent, or in the denial of any license or registration renewal, and the denial of future applications for licensure or registration until compliance is made with the terms of this Stipulation. In addition, if Respondent fails to comply with the terms of this Stipulation and Consent Order, then the Fine shall increase to **\$1,000.00** and **Respondent's Insurance Producer License will be revoked**. Unless otherwise specified in this Stipulation, requirements imposed on Respondent must be fulfilled in accordance with the terms of this Stipulation and Consent Order.
2. It is further stipulated, by and between the parties hereto, that failure to pay the administrative and civil fines as set forth above within (6) months of the invoice date shall result in a revocation or continued revocation of all licenses or registrations held by Respondent, or in the denial of any license or renewal and the denial of future applications for licensure or registration until compliance is made with the terms of this Stipulation.
3. Respondent understands and intends that by signing this Stipulation, Respondent is waiving his right, pursuant to the Code, the rules promulgated thereto, and the MAPA, to a hearing before an administrative law judge, at which the OFIR would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondent would be entitled to appear to cross-examine all witnesses presented by the OFIR and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

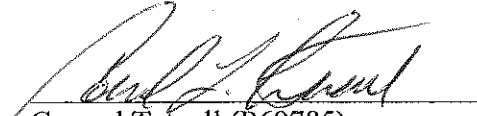


Gary S. Stearns

Dated: _____

9/13/2011

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above consent order.


Conrad Tatnall (P69785)
Attorney

Dated: 9/14/11